

March 17, 2011

Dear House Local Government Committee Member:

As the owner of a small, family-owned business, I am writing to urge your support for SB 234.

**CURRENT LAW.** Current law allows cities to take a private company's business and establish a City-monopoly for solid waste collection in an annexed area. I am sitting on a time bomb as such action removes predictability for my business and seriously restrains my ability to plan and make business purchases.

Presently, a private solid waste company may only be allowed to continue to collect solid waste in the annexed area for a period of five years. At the end of five years if a majority of the residents in an annexed area sign a petition requesting that the city collect the solid waste in the area, the private hauler is no longer allowed to operate in the area. The City of Billings solicits signatures aggressively. In the past, the City has first sent mail asking residents to sign the petition, and then followed up with door-to-door solicitations until it obtained enough signatures to get a monopoly in the annexed areas. And in its solicitations, the City does not explain the process fairly. After reading and hearing the City's solicitations, many of our previous customers did not realize they had an option to continue to receive service from a private company.

**MacKenzie DISPOSAL.** I started my Billings solid waste company, MacKenzie Disposal, 12 years ago. Currently, both my husband and I work in the business. I employ 15 employees with good salaries and good benefits (medical, dental, vision and retirement). I have made substantial investments in time, money, financial commitments, and employees. I have purchased equipment, permits, and established customer bases. I pay substantial property, income and other taxes that are not paid by the City. See the attached list. For example, each container provided to my customer base, over 3,000 households, is taxed. Each container used to service commercial accounts is also taxed. In the process of calculating the container taxes, my company goes through a procedure identifying the number of containers in each school district. The taxes I pay are then apportioned out to the appropriate individual districts. The City does not pay these personal property container taxes. The school districts lose this money when customers within an annexed area are taken over by the City.

I operate only outside the limits of the City of Billings. I am not allowed to operate inside the City. City ordinance **prohibits** private solid waste services within their jurisdiction. When the City annexes an area, I lose all customers in that area, even if some have chosen not to sign the city petition. In some instances it is a substantial number of customers. Our employees and I both worry that I may be forced to lay off employees when the City annexes and takes our business.

**SB 234.** SB 234 allows for competition between the private and the City services. I am not afraid of competing against the City of Billings. I presently compete for business in the same areas with another private company. However, the City wants to maintain its ability to impose a monopoly and rid itself of any private, unwanted competition.

Specifically, SB 234 provides that when a City annexes an area it must wait 5 years before it can provide solid waste services within the annexed area. After 5 years, the City can then compete but is not allowed to take away all private business and establish its own monopoly.

Thank you for your consideration. I would be happy to visit with you or answer any questions.

**Please vote "yes" on SB 234.**

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## Comparison of Taxes Paid by Private Enterprise and Paid By Municipality

### Private Collector

### Municipal Collector

Federal fuel tax	None
Federal income tax	None
Federal truck tax for over 33,000 lbs. (12% of cost)	None
Federal excise tax on tires	None
Federal road use tax	None
Tax assessed on truck size by # of axles	None
State income tax	None
State diesel/fuel tax	Tax on clean diesel
GVW fees	None
License fees	None
Real estate tax	None
Personal property tax	None
Consumer council tax	None
Public Service Commission regulation fee	None